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*Bolivia's Latest Coup
Hurts Economy*

The recent coup in Bolivia has worsened economic problems in South America's poorest country and set the stage for a potential economic crisis. In the wake of the civil unrest, prices have soared in response to shortages of flour, meat, and vegetables, and normal services and production patterns have been disrupted.

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Striking Bolivian tin miners, for example, protesting the coup, have caused a loss of at least \$30 million in export earnings to date. Economic activity in major urban and mining areas is only now returning to normal, although some miners may still be engaging in production slowdowns. Domestic financial problems meanwhile are being eased by inflows of narcotics money and [REDACTED] Argentine assistance. In any event, payments problems can be weathered for at least several months; gross reserves now total \$200 million, about five months' import requirements. Moreover, the military government's decision to honor the terms of an earlier IMF standby agreement will release up to \$37 million in loans from the World Bank, Andean Fund, and the IMF trust fund for disbursement. Although commercial bankers are jittery, the debt rescheduling agreed to in July is proceeding. If this financial help dries up, the Garcia Meza regime will face a serious financial squeeze by yearend. [REDACTED]

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